



RECEIVED
SEP 7 1979

DATE : September 5, 1979
TO : J. P. Recchi
FROM : A. A. Mandapat *AM*
SUBJECT : Specifications and Request for Bids (Draft 8/24/79):
"Transportation and Disposal of Polychlorinated Byphenyls (PCBs)."

As you requested, we have contacted four major commercial motor carriers to find out how much liability insurance they carry and to hear any comments they might care to make regarding the hazard potential in transporting PCBs.

The result of those calls were all about the same. In summary:

- All carriers contacted (including Consolidated Freightways, Pacific Intermountain Express, System 99 and IML Freight) are self insured up to approximately one million dollars (\$1,000,000). In addition, they all carry "umbrella" coverage of approximately three to five hundred thousand dollars (\$3-500,000).
- According to the Carmack Ammendment to the Interstate Commerce Act (49,20(11)), the damage liability to goods being transported is limited to the declared value as stated by the shipper on the bill of lading. Therefore, unless the motor carrier has specific Enviornmental Impairment Liability Insurance, we should require it in any contract we enter into involving the transport of PCBs from Seattle to the disposal site. The additional cost of such coverage must be counted on to be included in the contractor's price.
- The Department of Transportation has not, until recently, included PCBs on their list of hazardous substances. They are now in the process of doing so (see Pete Henault's memo of August 15, 1979). Motor Carriers, therefore, are not overly concerned about the hazards involved in transporting PCBs. Some said they had hauled PCBs before and saw no reason for extreme precautions other than proper shipping containers according to DOT regulations. (We have copies of the appropriate regulations pertaining to single use steel drums and are prepared to comply).

Both the Office of Enviornmental Affairs and Materials Management have made every effort to obtain a recommendation as to an appropriate insurance coverage for the transportation of PCBs from Seattle to a disposal

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site. We have made repeated calls to both the Regional and the Washington, D.C. offices of EPA and DOT with no success. We also have contacted common carriers, insurance brokers and worked closely with Len Metzger of City Purchasing.

Therefore, we recommend that the PCBs disposal contractor be required to carry insurance in an amount of not less than One Million Dollars (\$1,000,000) per occurrence and a total of Two Million (\$2,000,000) in any one year as specified in the attached draft of the Invitation to Bid dated 8/24/79. We feel, under the circumstances, that this insurance coverage is "reasonable and prudent".

We request your approval of draft 8/24/79 so that we may proceed to secure a PCBs disposal contract as soon as possible.

AAM/dym

Attachments: Invitation to Bid - Disposal of
Polychlorinated Bipheyls (PCBs)
Draft 8/24/79.

- Copies of Federal Register re: PCBs
- Copies from Dept. of Transportation Regulations.

cc: Mandapat/Young
Henault/Riley
File
Central File
(All above w/o
attachments)

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